

What is a Source Document?

Worksheet

A source document is the original evidence of a transaction - such as an invoice, receipt, or check - that supports and justifies each entry made in the accounting records.

Questions

1. Which of these is a source document?

- A) A sales invoice
- B) A trial balance
- C) A bar chart
- D) An income statement

2. What is the main purpose of a source document?

- A) To calculate taxes
- B) To provide evidence a transaction occurred
- C) To replace the general ledger
- D) To set employee salaries

3. Which document would support a cash payment for rent?

- A) A purchase order
- B) A check copy
- C) A price list
- D) A budget report

4. In the accounting cycle, source documents are used to create

- A) Journal entries
- B) Tax returns
- C) Marketing plans
- D) Org charts

5. A company sells \$800 of goods on credit. What source document is created, and what does it support?

6. An employee is reimbursed \$150 for travel expenses. What source document backs this up?

7. A company writes check #204 for \$3,000 to pay rent. What is the source document?

8. Define: What is a source document?

9. Define: Why are source documents important?

10. Define: Name three common source documents.

Answer Key

1. A) A sales invoice - An invoice is original evidence of a sale; the others are outputs, not source evidence.
2. B) To provide evidence a transaction occurred - Source documents are the proof behind every journal entry.
3. B) A check copy - A check copy records the payment made for rent.
4. A) Journal entries - Source documents provide the details needed to make journal entries.
5. The seller issues a sales invoice for \$800 The invoice is the source document proving the sale occurred The bookkeeper uses it to debit Accounts Receivable \$800 and credit Sales Revenue \$800
6. The employee submits a receipt totaling \$150 The receipt is the source document evidencing the expense The bookkeeper debits Travel Expense \$150 and credits Cash \$150
7. The check stub/copy for check #204 (\$3,000) is the source document It shows date, payee, and amount The bookkeeper debits Rent Expense \$3,000 and credits Cash \$3,000
8. The original record (invoice, receipt, check, etc.) that proves a transaction happened.
9. They provide verifiable evidence for every journal entry and support audits.
10. Sales invoices, purchase receipts, and bank checks.

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